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5  
6 UNITED STATES BANKRUPTCY COURT

7 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

8 In re  
9  
10 THE ROMAN CATHOLIC ARCHBISHOP,  
OF SAN FRANCISCO,  
11 Debtor and  
12 Debtor in Possession

Case No. 23-30564

Chapter 11

**FEE EXAMINER'S CONSOLIDATED  
FINAL REPORT REGARDING FIRST  
INTERIM FEE APPLICATIONS**

13 Date: April 18, 2024

14 Time: 9:30 AM

15 Location: Via ZoomGov

Judge: Hon. Dennis Montali

16  
17 Elise S. Frejka, the fee examiner (the “Fee Examiner”) in the above-captioned chapter 11  
18 case (the “Chapter 11 Case”) submits this final report (the “Final Report”) pursuant to the *Order*  
19 *Granting United States Trustee’s Motion for Order Appointing Fee Examiner and Establishing*  
20 *Procedures for Requesting Professional Compensation and Reimbursement of Expenses* (the “Fee  
21 Examiner Order”) [Dkt. No. 517] in connection with the applications for allowance of  
22 compensation for professional services rendered and for reimbursement of actual and necessary  
23 expenses (each, a “Fee Application,” and together, the “Fee Applications”) of the following  
24 professionals retained by the above-captioned debtor and debtor-in-possession (the “Debtor”) or  
25 the Official Committee of Unsecured Creditors (the “Committee”), as applicable: (A) Felderstein  
26 Fitzgerald Willoughby Pascuzzi & Rios LLP (“FFWPR”), Co-Counsel to the Debtor [Dkt. No.  
27 498]; (B) Sheppard Mullin Richter & Hampton LLP (Sheppard Mullin), Co-Counsel to the Debtor

1 [Dkt. No. 520]; (C) Weintraub Tobin Chediak Coleman Grodin Law Corporation (“WT”), Special  
2 Corporate and Litigation Counsel to the Debtor [Dkt. No. 501]; (D) Weinstein & Numbers, LLP  
3 (“WN”), Special Insurance Counsel to the Debtor [Dkt. No. 507]; (E) GlassRatner Advisory &  
4 Capital Group, LLC d/b/a B. Riley Advisory Services (“B. Riley”), Financial Advisor to the  
5 Debtor [Dkt. No. 510]; (F) Omni Agent Solutions, Inc., (“Omni”), Administrative Agent for the  
6 Debtor [Dkt. No. 513], (G) Pachulski Stang Ziehl & Jones LLP (“PSZJ”), Counsel to the  
7 Committee [Dkt. No. 521]; (H) Burns Bair LLP (“Burns Bair”), Special Insurance Counsel to  
8 the Committee [Dkt. No. 505; and (I) Berkeley Research Group, LLC (“BRG”), Financial  
9 Advisor to the Committee [Dkt. No. 519].

10 **Background**

11       1. On August 21, 2023 (the “Petition Date”), the Debtor commenced the above-  
12 captioned case by filing a voluntary petition for relief under chapter 11 of title 11 of the United  
13 States Code, as amended (the “Bankruptcy Code”) in the United States Bankruptcy Court for the  
14 Northern District of California, San Francisco Division (the “Court”). The Debtor is authorized  
15 to continue to operate its business and remain in possession of its property as a debtor in  
16 possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner  
17 has been appointed in this Chapter 11 Case.

18       2. On September 1, 2023, the United States Trustee (the “UST”) appointed the  
19 Committee. The Committee consists of nine (9) individuals who were sexually abused as minors  
20 by perpetrators for whom the Debtor was responsible. See Appointment of Committee of  
21 Unsecured Creditors [Dkt. No. 58].

22       3. On October 16, 2023, the Court entered the *Order Establishing Procedures and*  
23 *Authorizing Payment of Professional Fees and Expenses on a Monthly Basis* (the “Interim  
24 Compensation Order”) [Dkt. No. 212].

25       4. On December 21, 2023, the UST filed the *United States Trustee’s Motion for*  
26 *Order Appointing Fee Examiner and Establishing Procedures for Requesting Professional*  
27 *Compensation and Reimbursement of Expenses* [Dkt. No. 389] recognizing the need for

1 transparency and accountability over the fees billed by professionals in this Chapter 11 Case given  
2 the complexity of the case, the expected magnitude of the fees, and the heightened public attention  
3 that this case will likely attract.

4       5. Under the Fee Examiner Order, the Fee Examiner was charged by the Court with,  
5 among other things: reviewing the interim and final fee applications filed by each Retained to  
6 ascertain compliance with: (a) Bankruptcy Code Sections 328, 329, 330, and 331, as applicable;  
7 (b) Fed. R. Bankr. P. 2016; (c) the Interim Compensation Order; (d) the United States Trustee  
8 Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses, 28  
9 C.F.R. Part 58, Appendix A and Appendix B (the “UST Guidelines”); and (e) the United States  
10 Bankruptcy Court for the NDCA Guidelines for Compensation and Expense Reimbursement of  
11 Professionals and Trustees (the “NDCA Guidelines,” and together with the UST Guidelines, the  
12 “Guidelines”). The Fee Examiner was further guided by the Practices and Procedures in Judge  
13 Montali’s Court including Part I (Fees Generally).

14       6. The Fee Examiner focused her review on the following issues:

- 15           a. Vague time entries that do not include complete activity descriptions that are  
16 sufficiently detailed to allow the reviewer to determine whether the time billed  
is actual, reasonable and necessary (hereinafter, “Vague Time Entries”);  
17           b. Block billed or “lumped” time entries that do not clearly identify each discrete  
18 task billed, indicate the date the task was performed, the precise amount of  
time spent (not to be billed in increments greater than one-tenth of an hour),  
19 who performed the task, the level of experience, and that person’s hourly rate  
20 (hereinafter, “Block Billing Entries”);  
21           c. Entries that the Fee Examiner identified as more in the nature of overhead or  
22 other administrative activities such as clearing conflicts or revising time entries  
where the benefit to the Debtors’ estate was not readily ascertainable from the  
23 time entry (hereinafter “Administrative Entries”);  
24           d. Time entries where the sub-parts of a particular time entry did not equal the  
25 amount of time that was actually charged (hereinafter, “Over/Under Billing  
Entries”);  
26           e. Duplicate time entries (hereinafter, “Duplicate Entries”) where based upon the  
27 narrative the Fee Examiner was unable to ascertain if the timekeeper undertook  
separate tasks or the entry was duplicative;

- 1 f. Time charges attributable to transitory timekeepers who billed less than five  
2 (15) hours during the Fee Period (hereinafter, “Transitory Timekeepers”). The  
3 Fee Examiner reviewed the nature of the work performed and the expertise the  
4 timekeeper brought to the case and made recommendations specific to the  
5 Retained Professionals;
- 6 g. Staffing inefficiencies where the number of professionals participating in  
7 conference calls, meetings, depositions, and hearings appeared excessive and  
8 the benefit to the estate appeared minimal or where the Retained Professional  
9 staffed the case with summer associates or unadmitted attorneys (hereinafter,  
10 “Staffing Inefficiency Entries”);
- 11 h. Professionals with a disproportionate amount of time billed in rounded (.5 or  
12 .0) hours (hereinafter, “Rounded Hour Entries”);
- 13 i. Non-working travel time where the professional billed more than 2 hours of  
14 air travel (“Non-Working Travel Entries”);
- 15 j. Mismatched entries where the professionals participating in conference calls,  
16 meetings, depositions and hearings billed differing amounts to the same  
17 activity (“Mismatched Time Entries”);
- 18 k. Expense reimbursement-related issues (flights, train travel, taxi/ground  
19 transportation, meals, service/booking fees, tips, photocopies/facsimiles, in-  
20 flight internet, upgrades, car service, and unknown expenses);
- 21 l. Whether there was a duplication of effort or coordination between the  
22 professionals;
- 23 m. Budgeted fees vs. actual fees; and
- 24 n. Compliance with the Interim Compensation Order and the Fee Examiner  
25 Order.

26 7. In undertaking her review, the Fee Examiner considered reductions taken by the  
27 Retained Professionals in an exercise of their billing discretion prior to submission of the relevant  
fee application, whether the Retained Professional stayed within budget, and general staffing  
considerations. In addition, the UST provided the Fee Examiner with an analysis of the fees and  
expenses for each Retained Professional. The Fee Examiner conducted her review independently  
of the UST review, incorporated the UST concerns into the preliminary report issued to each  
Retained Professional, and globally resolved all issues with each Retained Professional relevant  
to the Fee Applications.

1       8. The Fee Examiner found the timekeeping of the Retained Professionals to be  
2 exceptional and the courtesy and professionalism of the Retained Professionals is noted and  
3 appreciated. Areas of concern that were highlighted in the preliminary report stage were  
4 addressed by the Retained Professionals in a constructive manner and the Fee Examiner and  
5 Retained Professionals have forged a good rapport that is expected to continue throughout this  
6 Chapter 11 Case.

## **Fee Examiner's Recommendations**

9. The Final Report covers the Fee Applications of the Retained Professionals covering the time period from the professional's date of retention through January 31, 2024 (and with respect to Omni, through December 31, 2023) (the "Interim Fee Period"). Per the process described above, the Fee Examiner has reached an agreement with all of the Retained Professionals regarding allowance for the period under review. The Fee Examiner makes the following specific recommendations as to the fees to be allowed and expenses to be reimbursed:

- A. *Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP  
(Bankruptcy Counsel to the Debtor)*

10. On September 13, 2023, the Debtor filed the *Application to Employ Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP as Bankruptcy Counsel* [Dkt. No. 95].

11. On September 25, 2023, the Court entered the *Order Authorizing Employment of Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP as Bankruptcy Counsel* [Dkt. No. 163] (the “FFWPR Retention Order”). Pursuant to the FFWPR Retention Order, the Debtor was authorized to employ FFWPR as its bankruptcy effective as of August 21, 2023. For its services, FFWPR is compensated on an hourly basis subject to periodic adjustment.

12. During the Interim Fee Period, FFWPR filed five (5) monthly applications for compensation pursuant to the Interim Compensation Order as follows:

1	Dated Filed/ Docket No.	Period Covered	Requested		Paid to Date	
			Fees	Expenses	Fees	Expenses
2	10/26/2023 Dkt. 243	08/21/2023 – 09/30/2023	\$96,753.00	\$1,741.89	\$77,402.40	\$1,741.89
3	11/20/2023 Dkt. 333	10/01/2023 – 10/31/2023	\$66,204.00	\$762.30	\$52,963.20	\$762.30
4	12/19/2023 Dkt. 378	11/01/2023 – 11/30/2023	\$69,468.00	\$243.79	\$55,574.40	\$243.79
5	1/19/2024 Dkt. 436	12/01/2023 – 12/31/2023	\$36,838.50	\$34.00	\$29,470.80	\$34.00
6	2/20/2024 Dkt. 480	1/1/2024 – 1/31/2024	<u>\$42,263.50</u>	<u>\$541.41</u>	<u>\$33,810.80</u>	<u>\$541.41</u>
7	<b>TOTAL</b>		<b>\$311,527.00</b>	<b>\$3,323.39</b>	<b>\$249,221.60</b>	<b>\$3,323.39</b>

13. FFWPR filed the FFWPR Fee Application for an interim allowance of compensation for professional services rendered and for reimbursement of actual and necessary expenses for the period from August 21, 2023 through January 31, 2024 requesting an interim allowance of compensation for professional services rendered in the amount of \$311,527.00 and reimbursement of actual and necessary expenses in the amount of \$3,323.39 [Dkt. No. 498]. The Fee Examiner notes and appreciates that FFWPR excluded fees, in an exercise of pre-billing discretion, in the amount of \$7,206.50.

14. The Fee Examiner's initial report regarding the FFWPR Fee Application identified the following issues where further information was required to ascertain compliance with the Guidelines:

- 18 a. Vague Entries;
- 19 b. Block Billed Entries;
- 20 c. Over/Under Entries;
- 21 d. Non-Working Travel Entries and;
- e. Expense-related issues (mileage).

22 In addition, the UST identified administrative entries, block billing entries, miscounted hours, and vague entries.

24 15. FFWPR and the Fee Examiner engaged in a productive dialogue to address and resolve the issues raised by the Fee Examiner's initial report. Both the Fee Examiner and FFWPR reserve all of their rights with respect to future applications for compensation and recognize that the recommended reduction represents a compromise of the parties' various positions.

1 Accordingly, with regard to the FFWPR Fee Application, the Fee Examiner recommends  
2 allowance of fees in the amount of \$308,251.00 (reduced by \$3,276.00) and reimbursement of  
3 expenses in the amount of \$3,212.76 (reduced by \$110.63).

4       B.     Sheppard Mullin Richter & Hampton LLP (Bankruptcy Counsel to the Debtor)

5       16.    On September 18, 2023, the Debtor filed the *Application to Employ Sheppard*  
6 *Mullin Richter & Hampton LLP as Bankruptcy Counsel* [Dkt. No. 120].

7       17.    On September 25, 2023, the Court entered the *Order Authorizing Employment of*  
8 *Sheppard Mullin Richter & Hampton LLP as Bankruptcy Counsel* [Dkt. No. 164] (the “Sheppard  
9 Mullin Retention Order”). Pursuant to the Sheppard Mullin Retention Order, the Debtor was  
10 authorized to employ Sheppard Mullin as its bankruptcy effective as of August 21, 2023. For its  
11 services, Sheppard Mullin is compensated on an hourly basis subject to periodic adjustment.

12       18.    During the Interim Fee Period, Sheppard Mullin filed five (5) monthly applications  
13 for compensation pursuant to the Interim Compensation Order as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Paid to Date	
		Fees	Expenses	Fees	Expenses
10/26/2023 Dkt. 239	08/21/2023 – 09/30/2023	\$211,180.00	\$829.35	\$168,944.00	\$829.35
11/20/2023 Dkt. 331	10/01/2023 – 10/31/2023	\$146,672.00	\$335.05	\$117,337.60	\$335.05
12/19/2023 Dkt. 376	11/01/2023 – 11/30/2023	\$145,627.60	\$470.57	\$116,502.08	\$470.57
1/22/2024 Dkt. 440	12/01/2023 – 12/31/2023	\$129,008.40	\$290.50	\$103,206.72	\$290.50
2/20/2024 Dkt. 484	1/1/2024 – 1/31/2024	<u>183,955.60</u>	<u>\$3,754.04</u>	<u>\$147,164.48</u>	<u>\$3,754.04</u>
<b>TOTAL</b>		<b>\$816,443.60</b>	<b>\$5,679.51</b>	<b>\$653,154.88</b>	<b>\$5,679.51</b>

19.    Sheppard Mullin filed the Sheppard Mullin Fee Application for an interim  
allowance of compensation for professional services rendered and for reimbursement of actual  
and necessary expenses for the period from August 21, 2023 through January 31, 2024 requesting  
an interim allowance of compensation for professional services rendered in the amount of  
\$816,443.60 and reimbursement of actual and necessary expenses in the amount of \$5,679.51

[Dkt. No. 520]. The Fee Examiner notes and appreciates that Sheppard Mullin excluded fees, in an exercise of pre-billing discretion, in the amount of \$18,163.00.

3        20. The Fee Examiner's initial report regarding the Sheppard Mullin Fee Application  
4 identified the following issues where further information was required to ascertain compliance  
5 with the Guidelines:

- a. Vague Entries;
  - b. Block Billed Entries;
  - c. Staffing Inefficiencies;
  - d. Transitory Timekeepers;
  - e. Non-Working Travel Entries;
  - f. Administrative Entries; and
  - g. Expense-related issues (pre-petition expenses and travel expenses, among other things).

In addition, the UST identified transitory timekeepers, vague entries, administrative entries, miscounted hours, and block billing entries.

15        21. Sheppard Mullin and the Fee Examiner engaged in a productive dialogue to  
16 address and resolve the issues raised by the Fee Examiner’s initial report. Both the Fee Examiner  
17 and Sheppard Mullin reserve all of their rights with respect to future applications for  
18 compensation and recognize that the recommended reduction represents a compromise of the  
19 parties’ various positions. Accordingly, with regard to the Sheppard Mullin Fee Application, the  
20 Fee Examiner recommends allowance of fees in the amount of \$812,021.20 (reduced by  
21 \$4,422.40) and reimbursement of expenses in the amount of \$5,653.51 (reduced by \$26.00).

*C. Weintraub Tobin Chediak Coleman Grodin, Law Corporation  
(Special Corporate and Litigation Attorneys for the Debtor)*

24        22. On September 13, 2023, the Debtor filed the *Application to Employ Weintraub*  
25 *Tobin as Special Litigation Counsel* [Dkt. No. 100].

26       23. On September 25, 2023, the Court entered the *Order Authorizing Employment of*  
27 *Weintraub Tobin as Special Corporate and Litigation Counsel Under Section 327(e)* [Dkt. No.

1 166] (the “WT Retention Order”). Pursuant to the WT Retention Order, the Debtor was  
2 authorized to employ WT as its corporate and insurance counsel effective as of August 21, 2023.  
3 For its services, WT is compensated on an hourly basis subject to periodic adjustment. The WT  
4 Retention Order further provides that any and all draws against any retainer requires Bankruptcy  
5 Court Approval.

6 24. During the Interim Fee Period, WT filed five (5) monthly applications for  
7 compensation pursuant to the Interim Compensation Order as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Paid to Date	
		Fees	Expenses	Fees	Expenses
10/26/2023 Dkt. 246	08/21/2023 – 09/30/2023	\$16,817.50	\$17,900.65	\$13,454.00	\$17,900.65
11/20/2023 Dkt. 335	10/01/2023 – 10/31/2023	\$13,749.50	\$1,584.55	\$10,999.60	\$1,584.55
12/19/2023 Dkt. 380	11/01/2023 – 11/30/2023	\$6,545.50	\$1,755.80	\$5,236.40	\$6,992.20
1/19/2024 Dkt. 438	12/01/2023 – 12/31/2023	\$16,266.00	\$670.94	\$13,012.80	\$670.94
2/20/2024 Dkt. 482	1/1/2024 – 1/31/2024	<u>\$6,574.50</u>	<u>\$56.50</u>	<u>\$5,259.60</u>	<u>\$5,316.10</u>
TOTAL		\$59,953.00	\$21,968.44	\$47,962.40	\$32,464.44
ADJ. (FN 1)		(\$1,918.00)			
<b>ADJ. TOTAL</b>		<b>\$58,035.00</b>	<b>\$21,968.44</b>	<b>\$47,962.40</b>	<b>\$32,464.44</b>

16 25. WT filed the WT Fee Application for an interim allowance of compensation for  
17 professional services rendered and for reimbursement of actual and necessary expenses for the  
18 period from August 21, 2023 through January 31, 2024 requesting an interim allowance of  
19 compensation for professional services rendered in the amount of \$58,035.00 and reimbursement  
20 of actual and necessary expenses in the amount of \$21,968.44 [Dkt. No. 501]. WT maintained  
21 separate matter numbers and issued separate invoices for time and expenses attributable to  
22 specific litigation matters. The Fee Examiner and WT are working together to review these  
23 smaller separate invoices and respectfully request that the Court adjourn consideration of that  
24 portion of the WT Fee Application that relates to time charges in the amount of \$12,166.00 and  
25 expenses in the amount of \$20,148.47. A significant portion of the expenses are for filing fees  
26 and other litigation costs incurred prepetition, but invoiced by the vendor post-petition and once  
27 reconciled, WT will seek authority from the Court to pay these expenses from the WT retainer.

1       26. The Fee Examiner's initial report regarding the WT Fee Application identified the  
2 following issues where further information was required to ascertain compliance with the  
3 Guidelines:

- 4           a. Vague Entries;
- 5           b. Block Billed Entries;
- 6           c. Transitory Timekeepers;
- 7           d. Pre-Petition Entries; and
- 8           e. Expense-related issues (pre-petition expenses).

9       27. WT and the Fee Examiner engaged in a productive dialogue to address and resolve  
10 the issues raised by the Fee Examiner's initial report. Both the Fee Examiner and WT reserve all  
11 of their rights with respect to future applications for compensation and recognize that the  
12 recommended reduction represents a compromise of the parties' various positions. Accordingly,  
13 with regard to the WT Fee Application, the Fee Examiner recommends (a) allowance of fees in  
14 the amount of \$45,869 (no reduction recommended) with the balance of the requested fees,  
15 \$12,166.00, adjourned to the next hearing date; (b) allowance of expenses in the amount of  
16 \$1,746.15 with \$20,148.47 adjourned to the next hearing date; and (c) permission for WT to draw  
17 \$73,82 from the WT retainer to pay expenses incurred prepetition but invoiced by the vendor  
post-petition.

18       D. Weinstein & Numbers, LLP (Special Insurance Counsel to the Debtor)

19       28. On September 13, 2023, the Debtor filed the *Application to Employ Weinstein &*  
20 *Numbers, LLP as Insurance Counsel Under Section 327(e)* [Dkt. No. 98].

21       29. On September 25, 2023, the Court entered the *Order Authorizing Employment of*  
22 *Weinstein & Numbers, LLP as Insurance Counsel Under Section 327(e)* [Dkt. No. 165] (the "WN  
23 Retention Order"). Pursuant to the WN Retention Order, the Debtor was authorized to employ  
24 WN as its insurance counsel effective as of August 21, 2023. For its services, WN is compensated  
25 on an hourly basis subject to periodic adjustment.

26       30. During the Interim Fee Period, WN filed five (5) monthly applications for  
27 compensation pursuant to the Interim Compensation Order as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Paid to Date	
		Fees	Expenses	Fees	Expenses
10/26/2023 Dkt. 245	08/21/2023 – 09/30/2023	\$25,993.00	\$48.57	\$20,794.40	\$48.57
11/20/2023 Dkt. 334	10/01/2023 – 10/31/2023	\$6,967.50	\$0.00	\$5,574.00	\$0.00
12/19/2023 Dkt. 379	11/01/2023 – 11/30/2023	\$19,743.00	\$0.00	\$15,794.40	\$0.00
1/19/2024 Dkt. 437	12/01/2023 – 12/31/2023	\$22,106.50	\$15.50	\$17,685.20	\$15.50
2/20/2024 Dkt. 481	1/1/2024 – 1/31/2024	<u>\$20,665.50</u>	<u>\$0.00</u>	<u>\$16,532.40</u>	<u>\$0.00</u>
<b>TOTAL</b>		<b>\$95,475.50</b>	<b>\$64.07</b>	<b>\$76,380.40</b>	<b>\$64.07</b>

31. WN filed the WN Fee Application for an interim allowance of compensation for professional services rendered and for reimbursement of actual and necessary expenses for the period from August 21, 2023 through January 31, 2024 requesting an interim allowance of compensation for professional services rendered in the amount of \$95,475.50 and reimbursement of actual and necessary expenses in the amount of \$64.07 [Dkt. No. 507].

32. The Fee Examiner's initial report regarding the WN Fee Application identified the following issues where further information was required to ascertain compliance with the Guidelines:

- a. Vague Entries;
- b. Block Billed Entries;
- c. Mismatched Time Entries; and
- d. Administrative Entries.

In addition, the UST identified miscounted time, excessive time devoted to review and analyzing materials, vague entries, and block billed entries.

33. WN and the Fee Examiner engaged in a productive dialogue to address and resolve the issues raised by the Fee Examiner's initial report. Both the Fee Examiner and WN reserve all of their rights with respect to future applications for compensation and recognize that the recommended reduction represents a compromise of the parties' various positions. Accordingly, with regard to the WN Fee Application, the Fee Examiner recommends allowance of fees in the

1 amount of \$93,902.50 (reduced by \$1,573.00) and reimbursement of expenses in the amount of  
2 \$64.07.

3       E.     *GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley*  
4                    *Advisory Services (Financial Advisor to the Debtor)*

5       34.    On September 13, 2023, the Debtor filed the *Application to GlassRatner Advisory*  
6            *& Capital Group, LLC d/b/a B. Riley Advisory Services as Financial Advisor* [Dkt. No. 102].

7       35.    On September 25, 2023, the Court entered the *Order Authorizing Employment of*  
8            *GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley Advisory Services as Financial*  
9            *Advisor* [Dkt. No. 168] (the “B. Riley Retention Order”). Pursuant to the B. Riley Retention  
10      Order, the Debtor was authorized to employ B. Riley as its financial advisor effective as of August  
11      21, 2023. For its services, B. Riley is compensated on an hourly basis subject to periodic  
12      adjustment.

13      36.    During the Interim Fee Period, B Riley filed five (5) monthly applications for  
14      compensation pursuant to the Interim Compensation Order as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Paid to Date	
		Fees	Expenses	Fees	Expenses
10/26/2023 Dkt. 242	08/21/2023 – 09/30/2023	\$205,960.00	\$10,474.37	\$164,768.00	\$10,474.37
11/20/2023 Dkt. 332	10/01/2023 – 10/31/2023	\$108,101.00	\$2,210.14	\$86,480.80	\$2,210.14
12/19/2023 Dkt. 377	11/01/2023 – 11/30/2023	\$72,748.00	\$179.50	\$58,198.40	\$179.50
1/19/2024 Dkt. 435	12/01/2023 – 12/31/2023	\$55,003.00	\$0.00	\$44,002.40	\$0.00
2/20/2024 Dkt. 479	1/1/2024 – 1/31/2024	<u>\$26,529.50</u>	<u>\$0.00</u>	<u>\$21,223.60</u>	<u>\$0.00</u>
TOTAL		\$468,341.50	\$12,864.01	\$374,673.20	\$12,864.01
ADJ. (FN 1)		(\$19,131.75)			
<b>ADJ. TOTAL</b>		<b>\$449,209.75</b>	<b>\$12,864.01</b>	<b>\$374,673.20</b>	<b>\$12,864.01</b>

23      37.    B. Riley filed the B. Riley Fee Application for an interim allowance of  
24      compensation for professional services rendered and for reimbursement of actual and necessary  
25      expenses for the period from August 21, 2023 through January 31, 2024 requesting an interim  
26  
27

1 allowance of compensation for professional services rendered in the amount of \$449,209.75 and  
2 reimbursement of actual and necessary expenses in the amount of \$12,864.01 [Dkt. No. 510].

3       38. The Fee Examiner's initial report regarding the B. Riley Fee Application identified  
4 the following issues where further information was required to ascertain compliance with the  
5 Guidelines:

- 6           a. Non-Working Travel Entries;
- 7           b. Duplicate Entries;
- 8           c. Transitory Timekeepers; and
- 9           d. Expense-related issues (travel expenses).

10      In addition, the UST identified excessive working travel, block billing, and vague fee  
descriptions.

11     39. B. Riley and the Fee Examiner engaged in a productive dialogue to address and  
12 resolve the issues raised by the Fee Examiner's initial report. Both the Fee Examiner and B. Riley  
13 reserve all of their rights with respect to future applications for compensation and recognize that  
14 the recommended reduction represents a compromise of the parties' various positions.  
15 Accordingly, with regard to the B. Riley Fee Application, the Fee Examiner recommends  
16 allowance of fees in the amount of \$442,255.25 (reduced by \$6,954.50) and reimbursement of  
17 expenses in the amount of \$12,854.01 (reduced by \$10.00).

18       F. Omni Agent Solutions, Inc. (Administrative Agent to the Debtor)

19     40. On September 13, 2023, the Debtor filed the *Debtor's Application for Entry of an*  
Order (I) *Authorizing and Approving the Appointment of Omni Agent Solutions, Inc. as*  
21 *Administrative Agent, and (II) Granting Related Relief* [Dkt. No. 104].

22     41. On September 22, 2023, the Court entered the *Order (I) Authorizing and*  
*Approving the Appointment of Omni Agent Solutions, Inc. as Administrative Agent, and (II)*  
24 *Granting Related Relief* [Dkt. No. 159] (the "Omni Retention Order"). Pursuant to the Omni  
25 Retention Order, the Debtor was authorized to employ Omni as its administrative agent effective  
26 as of August 21, 2023. For its services, Omni is compensated on an hourly basis.

1           42. During the Interim Fee Period, Omni filed two (2) monthly applications for  
2 compensation pursuant to the Interim Compensation Order as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Paid to Date	
		Fees	Expenses	Fees	Expenses
10/26/2023 Dkt. 244	09/01/2023 – 09/30/2023	\$17,402.85	\$0.00	\$13,922.28	\$0.00
1/19/2024 Dkt. 439	12/01/2023 – 12/31/2023	<u>\$5,920.65</u>	<u>\$0.00</u>	<u>\$4,736.52</u>	<u>\$0.00</u>
TOTAL		\$23,323.50	\$0.00	\$18,658.80	\$0.00

7           43. Omni filed the Omni Fee Application for an interim allowance of compensation  
8 for professional services rendered and for reimbursement of actual and necessary expenses for  
9 the period from August 21, 2023 through December 31, 2024 requesting an interim allowance of  
10 compensation for professional services rendered in the amount of \$23,323.50 and reimbursement  
11 of actual and necessary expenses in the amount of \$0.00 [Dkt. No. 513].

12          44. The Fee Examiner's initial report regarding the Omni Fee Application identified  
13 the following issues where further information was required to ascertain compliance with the  
14 Guidelines:

- 15           a. Staffing Inefficiencies; and
- 16           b. Transitory Timekeepers.

17          In addition, the UST identified transitory professionals.

18          45. Omni and the Fee Examiner engaged in a productive dialogue to address and  
19 resolve the issues raised by the Fee Examiner's initial report. Both the Fee Examiner and Omni  
20 reserve all of their rights with respect to future applications for compensation and recognize that  
21 the recommended reduction represents a compromise of the parties' various positions.  
22 Accordingly, with regard to the Omni Fee Application, the Fee Examiner recommends allowance  
23 of fees in the amount of \$22,963.50 (reduced by \$360.00) and reimbursement of expenses in the  
24 amount of \$0.00.

25          G. Pachulski Stang Ziehl & Jones LLP (Counsel to the Committee)

1       46. On October 9, 2023, the Committee filed the *Application of the Official Committee*  
2 *of Unsecured Creditors for Order Approving Employment of Pachulski Stang Ziehl & Jones LLP*  
3 *as Counsel to the Official Committee of Unsecured Creditors* [Dkt. No. 188].

4       47. On October 24, 2023, the Court entered the *Order Approving Application of the*  
5 *Official Committee of Unsecured Creditors for Order Approving Employment of Pachulski Stang*  
6 *Ziehl & Jones LLP as Counsel to the Official Committee of Unsecured Creditors* (the “PSZ&J  
7 Retention Order”) [Dkt. No. 237]. Pursuant to the PSZ&J Retention Order, the Committee was  
8 authorized to employ PSZ&J as its counsel effective as of September 14, 2023. For its services,  
9 PSZ&J is compensated on an hourly basis. PSZ&J agreed to discount its total fees to the lesser  
10 of the amount billed using regular hourly rates and a blended hourly rate of \$1,050. Further,  
11 PSZ&J has agreed to contribute 10% of all fees it receives in this Chapter 11 Case on a final basis  
12 to a settlement trust that is approved as part of a plan of reorganization. See Supplemental  
13 Declaration of John W. Lucas in Support of Application of the Official Committee of Unsecured  
14 Creditors for Order Approving Employment of Pachulski Stang Ziehl & Jones LLP as Counsel to  
15 the Official Committee of Unsecured Creditors [Doc. No. 216].

16       48. During the Interim Fee Period, PSZJ filed five (5) monthly applications for  
17 compensation pursuant to the Interim Compensation Order as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Paid to Date	
		Fees	Expenses	Fees	Expenses
12/19/2023 Dkt. 381	09/14/2023 – 09/30/2023	\$71,958.50	\$63.06	\$57,566.80	\$63.06
12/20/2023 Dkt. 384	10/01/2023 – 10/31/2023	\$193,022.00	\$2,226.07	\$154,417.60	\$2,226.07
1/19/2024 Dkt. 377	11/01/2023 – 11/30/2023	\$133,844.50	\$5,499.37	\$107,075.60	\$5,499.37
1/19/2024 Dkt. 431	12/01/2023 – 12/31/2023	\$70,996.50	\$1,177.95	\$56,797.20	\$1,177.95
2/20/2024 Dkt. 483	1/1/2024 – 1/31/2024	<u>\$78,841.00</u>	<u>\$181.80</u>	<u>\$63,072.80</u>	<u>\$181.80</u>
<b>TOTAL</b>		<b>\$548,662.50</b>	<b>\$9,148.25</b>	<b>\$438,930.00</b>	<b>\$9,148.25</b>

25       49. PSZ&J filed the PSZ&J Fee Application for an interim allowance of compensation  
26 for professional services rendered and for reimbursement of actual and necessary expenses for  
27 the period from September 14, 2023 through January 31, 2024 requesting an interim allowance

1 of compensation for professional services rendered in the amount of \$548,662.50 and  
2 reimbursement of actual and necessary expenses in the amount of \$9,148.25 [Dkt. No. 521]. The  
3 PSZ&J Fee Application included a request for reimbursement of expenses in the amount of  
4 \$922.48 for individual Committee members related to an in-person meeting; this request is outside  
5 the purview of the Fee Examiner Order and the Fee Examiner coordinated with the UST on these  
6 expenses and the UST advised the Fee Examiner that the UST does not object to these expenses  
7 being included as part of the PSZ&J Fee Application. The Fee Examiner notes and appreciates  
8 that PSZ&J, in an exercise of pre-billing discretion, excluded fees in the amount of \$34,507.00,  
9 and expenses in the amount of \$706.47 in addition to the other discounts described herein.

10       50. The Fee Examiner's initial report regarding the PSZ&J Fee Application identified  
11 the following issues where further information was required to ascertain compliance with the  
12 Guidelines:

- 13           a. Administrative Entries;
- 14           b. Duplicate Entries;
- 15           c. Transitory Timekeepers; and
- 16           d. Expense-related issues (unrelated, travel, and overhead).

17       In addition, the UST identified excessive invoice/fee statement preparation time and  
18 duplicative time entries.

19       51. PSZ&J and the Fee Examiner engaged in a productive dialogue to address and  
20 resolve the issues raised by the Fee Examiner's initial report. Both the Fee Examiner and PSZ&J  
21 reserve all of their rights with respect to future applications for compensation and recognize that  
22 the recommended reduction represents a compromise of the parties' various positions.  
23 Accordingly, with regard to the PSZ&J Fee Application, the Fee Examiner recommends  
24 allowance of fees in the amount of \$543,083.17 (reduced by \$5,579.33) and reimbursement of  
25 expenses in the amount of \$9,021.77 (reduced by \$126.48).

1           H.     Burns Bair LLP (Special Insurance Counsel to the Committee)

2       52.   On November 17, 2023, 2023, the Committee filed the *Application of the Official*  
3     *Committee of Unsecured Creditors for Order Approving Employment of Burns Bair LLP as*  
4     *Special Insurance Counsel to the Official Committee of Unsecured Creditors* [Dkt. No. 323].

5       53.   On November 29, 2023, the Court entered the *Order Approving Application of the*  
6     *Official Committee of Unsecured Creditors for Order Approving Employment Burns Bair LLP as*  
7     *Special Insurance Counsel to the Official Committee of Unsecured Creditors* (the “Burns Bair  
8     Retention Order”) [Dkt. No. 348]. Pursuant to the Burns Bair Retention Order, the Committee  
9     was authorized to employ Burns Bair as its counsel effective as of October 19, 2023. For its  
10    services, Burns Bair is compensated on an hourly basis. Burns Bair has agreed to contribute 10%  
11    of all fees it receives in this Chapter 11 Case on a final basis to a settlement trust that is approved  
12    as part of a plan of reorganization.

13      54.   During the Interim Fee Period, Burns Bair filed three (3) monthly applications for  
14    compensation pursuant to the Interim Compensation Order as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Paid to Date	
		Fees	Expenses	Fees	Expenses
12/19/2023 Dkt. 382	10/20/2023 – 11/30/2023	\$65,208.00	\$1,822.16	\$52,166.40	\$1,822.16
1/19/2024 Dkt. 432	12/01/2023 – 12/31/2023	\$31,591.00	\$656.00	\$25,272.80	\$656.00
2/15/2024 Dkt. 477	1/1/2024 – 1/31/2024	<u>\$10,808.00</u>	<u>\$49.30</u>	<u>\$8,646.40</u>	<u>\$49.30</u>
TOTAL		\$107,607.00	\$2,527.46	\$86,085.60	\$2,527.46
ADJ. (FN 1)		(\$1,680.00)			
<b>ADJ. TOTAL</b>		<b>\$105,927.00</b>	<b>\$2,527.46</b>	<b>\$86,085.60</b>	<b>\$2,527.46</b>

21      55.   Burns Bair filed the Burns Bair Fee Application for an interim allowance of  
22    compensation for professional services rendered and for reimbursement of actual and necessary  
23    expenses for the period from October 19, 2023 through January 31, 2024 requesting an interim  
24    allowance of compensation for professional services rendered in the amount of \$105,927.00 and  
25    reimbursement of actual and necessary expenses in the amount of \$2,527.46 [Dkt. No. 505].

1       56. The Fee Examiner's initial report regarding Burns Bair Fee Application identified  
2 the following issues where further information was required to ascertain compliance with the  
3 Guidelines:

- 4              a. Administrative Entries;  
5              b. Vague Entries; and  
6              c. Duplicate Entries.

7       In addition, the UST identified excessive invoice/fee statement preparation time.

8       57. Burns Bair and the Fee Examiner engaged in a productive dialogue to address and  
9 resolve the issues raised by the Fee Examiner's initial report. Both the Fee Examiner and Burns  
10 Bair reserve all of their rights with respect to future applications for compensation and recognize  
11 that the recommended reduction represents a compromise of the parties' various positions.  
12 Accordingly, with regard to the Burns Bair Fee Application, the Fee Examiner recommends  
13 allowance of fees in the amount of \$103,047.00 (reduced by \$2,880.00) and reimbursement of  
14 expenses in the amount of \$2,527.46.

15              I. Berkeley Research Group, LLC (Financial Advisor to the Committee)

16       58. On October 24, 2023, the Committee filed the *Application of the Official*  
17 *Committee of Unsecured Creditors for Order Approving Employment of Berkeley Research*  
18 *Group, LLC as Financial Advisor, Effective as of October 9, 2023* [Dkt. No. 236].

19       59. On November 7, 2023, the Court entered the *Order Approving Application of the*  
20 *Official Committee of Unsecured Creditors for Order Approving Employment of Berkeley*  
21 *Research Group, LLC as Financial Advisor, Effective as of October 9, 2023* (the "BRG Retention  
22 Order") [Dkt. No. 288]. Pursuant to the BRG Retention Order, the Committee was authorized to  
23 employ BRG as its financial advisor effective as of October 9, 2023. For its services, BRG is  
24 compensated on an hourly basis with a 10% rate concession from its standard hourly rates.

25       60. BRG filed the BRG Fee Application for an interim allowance of compensation for  
26 professional services rendered and for reimbursement of actual and necessary expenses for the

1 period from October 9, 2023 through January 31, 2024 requesting an interim allowance of  
2 compensation for professional services rendered in the amount of \$62,181.00 and reimbursement  
3 of actual and necessary expenses in the amount of \$0.00 [Dkt. No. 519]. BRG did not file monthly  
4 fee applications for compensation pursuant to the Interim Compensation Order.

5       61. The Fee Examiner's initial report regarding BRG Fee Application identified the  
6 following issues where further information was required to ascertain compliance with the  
7 Guidelines:

- 8           a. Administrative Entries;
- 9           b. Transitory Timekeepers; and
- 10          c. Staffing Inefficiencies.

12       In addition, the UST identified excessive conference attendance, clerical work, transitory  
13 timekeepers, and vague time entries.

14       62. BRG and the Fee Examiner engaged in a productive dialogue to address and  
15 resolve the issues raised by the Fee Examiner's initial report. Both the Fee Examiner and BRG  
16 reserve all of their rights with respect to future applications for compensation and recognize that  
17 the recommended reduction represents a compromise of the parties' various positions.  
18 Accordingly, with regard to the BRG Fee Application, the Fee Examiner recommends allowance  
19 of fees in the amount of \$61,576.50 (reduced by \$604.50) and reimbursement of expenses in the  
20 amount of \$0.00.

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**Conclusion**

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For the reasons stated above, and in the absence of any objection to the Fee Applications  
3 of the Retained Professionals, the Fee Examiner recommends that the Court enter an Order, on  
4 an interim basis and subject to a final review at the conclusion of this Chapter 11 Case, granting  
5 the interim fee requests of the Retained Professionals in the amounts recommended, as set forth  
6 herein.

7  
Dated: New York, New York  
8 April 17, 2023

9 Respectfully Submitted,

10 ELISE S. FREIKA

11 

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15 *Fee Examiner*